

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/22/09

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
STATEMENT OF NET ASSETS.....	9
STATEMENT OF ACTIVITIES.....	10
BALANCE SHEET – GOVERNMENTAL FUND – GENERAL FUND	11
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS.....	12
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUND – GENERAL FUND	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUND- GENERAL FUND TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUND	15
NOTES TO THE FINANCIAL STATEMENTS.....	16
SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	27
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	28
SCHEDULE OF FINDINGS.....	31
SCHEDULE OF PRIOR YEAR FINDINGS	35



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' REPORT

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund and the remaining fund information of the **Constable of the First City Court, City of New Orleans (the Constable)** as of and for the year ended December 31, 2008, which collectively comprise the **Constable's** basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the **Constable's** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the remaining fund information of the **Constable** as of December 31, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report, dated June 15, 2009, on our consideration of the Constable's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended December 31, 2008. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 8 and budgetary comparison information on page 27 are not required as part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

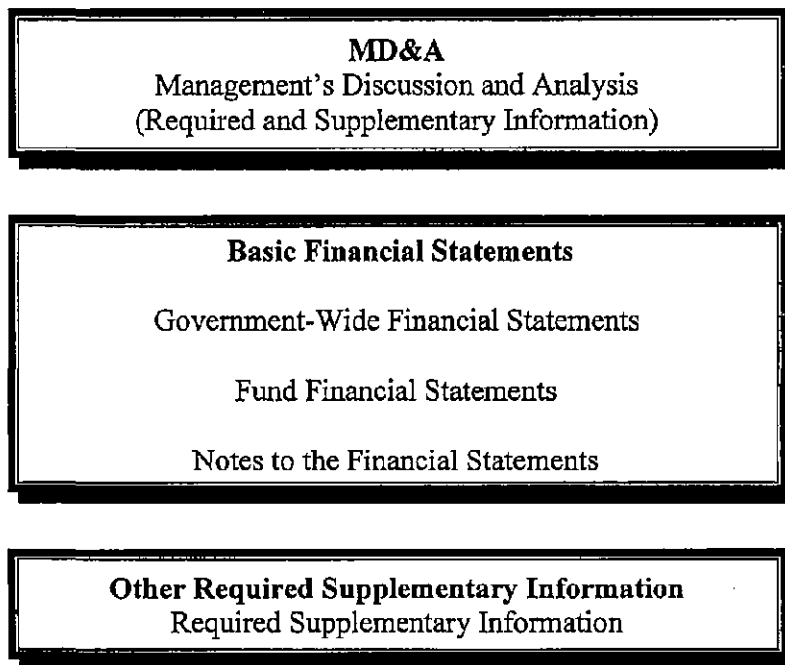
June 15, 2009



**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2008**

The **Constable of the First City Court, City of New Orleans' (the Constable)** management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of **the Constable's** financial activity, and identify changes in **the Constable's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ended December 31, 2008.

The following is an illustration on how this financial report is presented.



**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For the Year Ended December 31, 2008

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements provide a perspective of **the Constable** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Fund Financial Statements

The fund statements are similar to financial presentations of years past, but the focus is on **the Constable's** major funds rather than fund types as in the past. The two account groups: General Fixed Assets and General Long-term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only governmental fund of **the Constable**. The General Fund is used primarily to account for the general operations. Its revenues are derived from fees and commissions earned from serving court pleadings, performing seizures, and conducting sales under the orders of the First City Court.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmental-wide financial statements because those resources for those funds are not available to support **the Constable's** own programs. **The Constable's** employs an agency fund to account for deposits held pending court action.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For the Year Ended December 31, 2008

Financial Analysis of the Constable

Summary Statement of Net Assets

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Assets			
Current assets	\$ 988,354	\$ 969,311	\$ 19,043
Capital assets, net	<u>38,179</u>	<u>4,530</u>	<u>33,649</u>
Total assets	<u>1,026,533</u>	<u>973,841</u>	<u>52,692</u>
Liabilities			
Current liabilities	16,942	11,990	4,952
Non-current liabilities	<u>36,832</u>	<u>27,781</u>	<u>9,051</u>
Total liabilities	<u>53,774</u>	<u>39,771</u>	<u>14,003</u>
Net Assets			
Invested in capital assets	38,179	4,530	33,649
Unrestricted	<u>934,580</u>	<u>929,540</u>	<u>5,040</u>
Total net assets	<u>\$ 972,759</u>	<u>\$ 934,070</u>	<u>\$ 38,689</u>

As indicated by the statements above, in 2008 total net assets are \$972,759, which represents a 4% increase over 2007. In 2008, total assets, which consist of 96% in current assets and 4% in net capital assets, increased by 5% from \$973,841 to \$1,026,533. Total liabilities increased by \$14,003.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$438,721, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$400,542.

The remaining \$934,580 in net assets is unrestricted. The unrestricted net assets are an accumulation of prior years' operating results. This balance is directly affected each year by the Constable's operating results.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For the Year Ended December 31, 2008

Results of Operations			
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Program Revenues			
Fees	\$ 666,700	\$ 629,016	\$ 37,684
Commissions	105,132	92,059	13,073
Security services	274,840	325,067	(50,227)
General Revenues			
Interest	7,473	9,809	(2,336)
Total revenues	<u>1,054,145</u>	<u>1,055,951</u>	<u>(1,806)</u>
Expenses			
Salaries	559,334	561,025	(1,691)
Employee benefits	160,615	125,301	35,314
Payroll taxes	45,342	43,664	1,678
Labor cost	36,872	83,270	(46,398)
Professional fees	91,500	90,893	607
Automobile and insurance	44,180	26,144	18,036
Repairs and maintenance	14,693	10,715	3,978
Telephone	7,811	10,153	(2,342)
Office supplies and services	13,828	22,948	(9,120)
Other operating expenses	10,491	10,650	(159)
Depreciation	9,771	9,464	307
Postage	7,886	7,221	665
Travel	13,133	6,391	6,742
Total expenses	<u>1,015,456</u>	<u>1,007,839</u>	<u>7,617</u>
Increase in net assets	<u>\$ 38,689</u>	<u>\$ 48,112</u>	<u>\$ (9,423)</u>

As indicated above, net assets increased by \$38,689 in 2008. The prior year net assets balance of \$934,070 was increased by this amount. Total revenues in 2008 decreased by \$1,806 as a result of a combination of more services provided, which generated additional fees revenue and the termination of a large security service contract in 2007, which decreased security services revenue.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For the Year Ended December 31, 2008

Capital Assets

At December 31, 2008 and 2007, **the Constable** had \$438,721 and \$395,301, respectively, invested in furniture and equipment, automobiles and office improvements as follows:

Assets	<u>2008</u>	<u>2007</u>
Capital assets	\$ 438,721	\$395,301
Less accumulated depreciation	(400,542)	(390,771)
Net capital assets	\$ <u>38,179</u>	\$ <u>4,530</u>

Depreciation expense for the year ended December 31, 2008 and 2007 was \$9,771 and \$9,464, respectively. Additional information on **the Constable's** capital assets can be found in NOTE 4 on page 25 of this report.

Economic Factors and Next Year's Budget

The major factor affecting the budget is the revenues earned for fees and commissions.

Original vs. Revised Budget

As required by state law, **the Constable** adopts the original budget for the office. **The Constable** amended its original budget once during the 2008 fiscal year.

Revenue Budget

The Constable's actual general fund revenues of \$1,054,145 were more than the budget by \$40,655.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
For the Year Ended December 31, 2008**

Expenditure Budget

The Constable's actual general fund expenditures of \$1,040,054 were more than the budget by \$50,179 or 5%.

Contacting the Constable Financial Management

This financial report is designed to provide a general overview of **the Constable's** finances for all those who have interest in **the Constable's** finances. If you have questions about this report or need additional information, contact Mr. Lambert C. Boissiere, Jr., Constable, at 421 Loyola Avenue, New Orleans, Louisiana 70112.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash (NOTE 3)	\$ 601,614
Investments (NOTE 3)	317,280
Accounts receivable	<u>69,460</u>
Total current assets	988,354
Capital assets, net of accumulated depreciation (NOTE 4)	<u>38,179</u>
Total assets	<u>1,026,533</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	6,221
Accrued liabilities	<u>10,721</u>
Total current liabilities	<u>16,942</u>
Non-current Liabilities:	
Compensated absences (NOTE 5)	<u>36,832</u>
Total non-current liabilities	<u>36,832</u>
Total liabilities	<u>53,774</u>
<u>NET ASSETS</u>	
Invested in capital assets	38,179
Unrestricted	<u>934,580</u>
Total net assets	<u>\$ 972,759</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Activities</u>
REVENUES:	
Program revenues:	
Fees	\$ 666,700
Commissions	105,132
Security services	274,840
General revenues:	
Interest	<u>7,473</u>
Total revenues	<u>1,054,145</u>
 EXPENSES:	
Salaries	559,334
Employee benefits	160,615
Payroll taxes	45,342
Labor cost	36,872
Professional fees	91,500
Automobile and insurance	44,180
Repairs and maintenance	14,693
Telephone	7,811
Office supplies and services	13,828
Other operating expenses	10,491
Depreciation	9,771
Postage	7,886
Travel	<u>13,133</u>
Total expenses	<u>1,015,456</u>
 Change in net assets	38,689
 Net assets, beginning of year	<u>934,070</u>
 Net assets, end of year	<u>\$ 972,759</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
BALANCE SHEET – GOVERNMENTAL FUND – GENERAL FUND
DECEMBER 31, 2008**

ASSETS

Cash	\$601,614
Investments	317,280
Accounts receivable	<u>69,460</u>
Total assets	<u>\$988,354</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 6,221
Accrued liabilities	<u>10,721</u>
Total liabilities	16,942
Fund balance:	
Unreserved/undesignated	<u>971,412</u>
Total liabilities and fund balance	<u>\$988,354</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

Total fund balance – Governmental Fund \$ 971,412

Amounts reported for governmental activities in
the Statement of Net Assets are different because:

Capital assets used in governmental activities
are not financial resources and therefore are
not reported in the fund (NOTE 4):

The cost of capital assets is	\$ 438,721	
Accumulated depreciation is	<u>(400,542)</u>	38,179

Long-term liabilities are not due and
payable in the current period therefore
are not reported in the fund:

Compensated absences	<u>(36,832)</u>
----------------------	-----------------

Net assets of governmental activities \$ 972,759

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN
FUND BALANCE – GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES:

Fees	\$ 666,700
Commissions	105,132
Security services	274,840
Interest	<u>7,473</u>

Total revenues	<u>1,054,145</u>
----------------	------------------

EXPENDITURES:

Salaries	559,334
Employee benefits	151,564
Payroll taxes	45,342
Labor cost	36,872
Professional fees	91,500
Automobile and insurance	44,180
Repairs and maintenance	14,693
Telephone	7,811
Office supplies and services	13,828
Other operating expenditures	10,491
Postage	7,886
Travel	13,133
Capital outlays	<u>43,420</u>

Total expenditures	<u>1,040,054</u>
--------------------	------------------

Net change in fund balance	<u>14,091</u>
----------------------------	---------------

Fund balance, beginning of year	<u>957,321</u>
---------------------------------	----------------

Fund balance, end of year	\$ <u>971,412</u>
---------------------------	-------------------

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUND -
GENERAL FUND - TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Total net change in fund balance – Governmental Fund	\$ 14,091
--	-----------

Amounts reported for governmental activities in
the Statement of Net Assets are different because:

The Governmental Fund reported capital outlays as
expenditures whereas in the Statement of Activities,
these costs are depreciated over their estimated lives:

Capital outlays	43,420
Depreciation expense	(9,771)

Some expenses reported in the statement of activities do not
require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Increase in compensated absences	<u>(9,051)</u>
----------------------------------	----------------

Change in net assets of governmental activities	<u>\$ 38,689</u>
---	------------------

The accompanying notes are an integral part of this financial statements.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND
DECEMBER 31, 2008**

ASSETS

Cash	<u>\$1,859</u>
Total assets	<u>\$1,859</u>

LIABILITIES

Escrow deposits	<u>\$1,859</u>
Total liabilities	<u>\$1,859</u>

The accompanying notes are an integral part of this statement.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Introduction:

The **Constable of the First City Court, City of New Orleans (the Constable)**, was established by Sections 89 and 92 of Article 7 of the Louisiana Constitution of 1921 and retained by virtue of the revised provisions of Article 5, Section 15(A) of the Louisiana Constitution of 1974. Act No. 461 of the 1978 Louisiana Regular Session established a fund for the Office of Constable, First City Court, composed of all fees collected by **the Constable** as provided in Revised Statute 13:2158. **The Constable** pays from this fund all salaries, including his own and any other costs or expenses of any other nature whatsoever, including the purchase of office or other equipment, automobiles, or other necessities deemed proper by **the Constable**. In the event, fees and commissions authorized by Revised Statute 13:2158 exceed the necessary expenditures of **the Constable** in the efficient performance of his duties, the excess shall remain in **the Constable's** fund and may be expended by him in any succeeding year in which fees and commissions are insufficient to cover salaries and expenditures. However, in accordance with Louisiana Revised Statute 33:1737, at the end of each six year term, **the Constable** is required to remit to the State Treasurer any remaining moneys in **the Constable's** fund in excess of one third of the amount of revenues of the last year of his term in office. The amount left in **the Constable's** fund shall be used as a revolving fund to assist in financing the operation of the Office and for purchasing equipment.

The Constable serves court pleadings, makes seizures, conducts sales, and performs other duties under orders of the First City Court. The First City Court has civil jurisdiction concurrent with the District Court in cases where the principal amount in dispute, or the value of property involved does not exceed \$20,000.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies:

A. Reporting Entity

According to GASB No. 14, **the Constable** is considered a primary government and does not include any component units. Therefore, for financial reporting purposes, **the Constable** includes all funds and activities that are controlled by **the Constable** as an independently elected parish official. The activities of the parish, other independently elected parish officials and municipal level governments are not included within the accompanying financial statements as they are considered autonomous governmental units. These units of government issue financial statements separate from those of **the Constable**.

B. Basis of Presentation

The accompanying financial statements of **the Constable** have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C. Implementation of GASB Statements

During the fiscal year 2004, **the Constable** adopted GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, as amended by GASB Statements No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

Invested in Capital Assets – consists of capital assets, net of accumulated depreciation.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

C. Implementation of GASB Statements, Continued

Restricted Net Assets – result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributions, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2008, the Constable had no restricted net assets.

Unrestricted Net Assets – consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities – demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

D. Fund Accounting

The accounts of the Constable are organized on the basis of funds, which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities and fund equity, and revenues and expenditures for governmental funds. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

D. Fund Accounting, Continued

o Governmental Fund Type-General Fund

The General Fund is the principal fund of the **Constable** and accounts for the operations of the **Constable's** office. The major source of revenues is from fees and commissions. General operating expenditures are paid from this fund.

o Fiduciary Fund Type-Agency Fund

The Agency Fund is used as a depository for collection of civil suits, garnishments, the **Constable's** sale of real estate and movable property. Disbursements from this fund are made to various parish agencies, litigants in suits, etc., in a manner prescribed by law. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the **Constable**.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non Exchange Transactions.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

D. Fund Accounting, Continued

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

FFS detailed information about **the Constable**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

E. Budgetary Accounting

The proposed budget, prepared on the modified accrual basis of accounting, was published prior to the ensuing fiscal year. The budget is legally adopted and amended, as necessary, by **the Constable**. At fiscal close, all appropriations lapse. All changes in the budget must be approved by **the Constable**. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

E. Budgetary Accounting, Continued:

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

F. Vacation and Sick Leave

Employees of the office are allowed to accumulate ten (10) days of vacation time and ten (10) days of sick leave during a calendar year. For the year ended December 31, 2008, vacation time not used at the end of the year is lost. Unused sick leave is either paid to employees at the end of each calendar year or allowed to accumulate up to a maximum of thirty (30) days. Upon resignation or termination of employment, unused sick leave is paid to the employee.

G. Cash and Cash Equivalents

Cash includes amounts on hand and in demand deposits and cash equivalents. Cash equivalents include amounts in certificates of deposit with original maturities of 90 days or less. Cash equivalents are held in safe keeping at a custodial bank in **the Constable's** name. Under state law, **the Constable** may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

H. Investments

The Constable's investments are in a state investment pool, Louisiana Asset Management Pool, Inc. (LAMP), which is a 2a7-like investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Capital Assets

Capital assets are recorded at cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expended as incurred.

Depreciation of automobiles, furniture and equipment is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Estimated Useful Lives (years)</u>
Automobiles	Straight-line	5
Furniture and equipment	Straight-line	3 to 7

K. Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2008, no allowance for uncollectible receivables was provided.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Cash and Investments:

Cash

At December 31, 2008, the **Constable** has cash (book balances) totaling \$601,614, as follows:

Cash on hand	\$ 600
Noninterest-bearing demand deposits	<u>601.014</u>
Total	\$ <u>601.614</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the **Constable** in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2008, the **Constable** has \$704,760 in deposits (collected bank balances). These deposits are entirely covered by federal deposit insurance.

Custodial credit risk is the risk that, in event of a failure of financial institution or counterparty, the **Constable** would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party. The **Constable's** deposits are not subject to custodial credit risk.

Investments

As of December 31, 2008, the **Constable** had the following investment:

<u>Investment Type</u>	<u>Maturities (In Years)</u>	<u>Fair Value</u>	<u>Rating</u>
Louisiana Asset Management Pool, Inc. (LAMP)	Less than 1 year	\$317,280	AAAm

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets:

Changes in capital assets are as follows at December 31, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Furniture and equipment	\$326,653	\$11,435	\$ -0-	\$ 338,088
Automobiles	<u>68,648</u>	<u>31,985</u>	<u>-0-</u>	<u>100,633</u>
Total	395,301	43,420	-0-	438,721
Less: Accumulated depreciation	<u>(390,771)</u>	<u>(9,771)</u>	<u>-0-</u>	<u>(400,542)</u>
Net capital assets	\$ <u>4,530</u>	\$ <u>33,649</u>	\$ <u>-0-</u>	\$ <u>38,179</u>

Depreciation expense for the year ended December 31, 2008 was \$9,771.

NOTE 5 - Long-Term Debt:

The following is a summary of changes in the long-term debt at December 31, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences payable	\$ <u>27,781</u>	\$ <u>9,051</u>	\$ <u>-</u>	\$ <u>36,832</u>
Total	\$ <u>27,781</u>	\$ <u>9,051</u>	\$ <u>-</u>	\$ <u>36,832</u>

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Pension Plan

The Constable has elected to participate in the City of New Orleans Municipal Employees' Retirement System (NOMERS). As such, at December 31, 2008, eligible employees of **the Constable's** participated in the NOMERS. This plan is a single-employer, contributory defined benefit pension plan sponsored and administered by the City of New Orleans (the City).

The Plan uses the accrual basis of accounting for changes in net assets. Within this context, interest income is recognized when earned, as are employer and employee contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan Description

The Constable contributes to the Plan. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefit provisions is provided under the laws of the State of Louisiana. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to Employee's Retirement System of the City of New Orleans, 1300 Poydras Street, Suite 1E12, New Orleans, LA 70122 or by calling (504) 658-1850.

Funding Policy

Employer contributions for the Plan are based on actuarially determined amounts. At December 31, 2008, **the Constable** contributed 6.909% of annual covered payroll. Employees covered under the Plan contribute 4% of their earnable compensation in excess of \$1,200 per year to the Plan. **The Constable's** contribution to NOMERS, which were equal to the required contribution, for the years ended December 31, 2008, 2007 and 2006 was \$54,155, \$38,132 and \$9,270, respectively.

NOTE 7 - Risk Management

The Constable is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which **the Constable** carries commercial insurance.

CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
BUDGETARY COMPARISON SCHEDULE--GENERAL FUND
For the Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Fees	\$575,300	\$ 627,490	\$ 666,700	\$ 39,210
Commissions	100,000	105,000	105,132	132
Security services	273,000	274,000	274,840	840
Interest	15,000	7,000	7,473	473
				-
Total revenues	<u>963,300</u>	<u>1,013,490</u>	<u>1,054,145</u>	<u>40,655</u>
EXPENDITURES:				
Salaries	525,000	563,000	559,334	3,666
Payroll taxes	44,000	45,500	45,342	158
Labor cost	36,000	37,000	36,872	128
Professional fees	99,850	95,600	91,500	4,100
Employee benefits	140,900	152,500	151,564	936
Automobile and insurance	27,270	47,100	44,180	2,920
Repairs and maintenance	2,000	6,000	14,693	(8,693)
Telephone	10,700	7,900	7,811	89
Office supplies and services	6,500	4,200	13,828	(9,628)
Other operating expenditures	19,409	9,575	10,491	(916)
Postage	7,220	8,000	7,886	114
Travel	6,794	13,500	13,133	367
Capital outlays	-	-	43,420	(43,420)
Total expenditures	<u>925,643</u>	<u>989,875</u>	<u>1,040,054</u>	<u>(50,179)</u>
Net change in fund balance	37,657	23,615	14,091	(9,524)
Fund balance, beginning of year	<u>950,450</u>	<u>928,781</u>	<u>957,321</u>	<u>28,540</u>
Fund balance, end of year	<u>\$ 988,107</u>	<u>\$ 952,396</u>	<u>\$ 971,412</u>	<u>\$ 19,016</u>

See accompanying independent auditors' report.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Constable Lambert C. Boissiere, Jr.
First City Court
City of New Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the remaining fund information of the **Constable of the First City Court, City of New Orleans (the Constable)**, as of and for the year ended December 31, 2008, which collectively comprise the **Constable's** basic financial statements and have issued our report thereon dated June 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Constable's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Constable's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Constable's** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **the Constable's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of **the Constable's** financial statements that is more than inconsequential will not be prevented or detected by **the Constable's** internal control. We consider the deficiencies described in the accompanying schedule of findings as items 08-01 and 08-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **the Constable's** internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Constable's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

The Constable's response to the findings identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Constable's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Constable, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2009

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

I SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: unqualified opinion.
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: yes material weaknesses: no.
- C. Noncompliance which is material to the financial statements: no.
- D. Significant deficiencies in internal control over major programs: not applicable material weaknesses: not applicable.
- E. The type of report issued on compliance for major programs: not applicable.
- F. Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: not applicable.
- G. Major programs: not applicable.
- H. Dollar threshold used to distinguish between Type A and Type B programs: not applicable.
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: not applicable.
- J. A management letter issued: no.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

08-01 Property Management

Criteria

The Constable's written fixed asset management policies and procedures requires a permanent property log or data base for all purchased or acquired fixed assets. This log or data base should contain the following information:

- a. Date of purchase
- b. Description of item purchased
- c. Received by donation or purchased
- d. Cost or fair market value on the date receipt
- e. Donor or funding source, if applicable
- f. Funding source restrictions on use or disposition
- g. Identification/serial number (if appropriate)
- h. Depreciation period
- i. Vendor name and address
- j. Warranty period
- k. Inventory tag number (all fixed assets should be tagged with a unique identifying number)
- l. Number of the New Orleans City Court Constable's Office check used to pay for the equipment

Condition

Although the Constable maintained property records, we noted during our audit that the Constable's property records did not include certain information required by their property management procedures. The Constable's property records only included information of the date and amount of the acquisition and the description of property.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

08-01 Property Management, Continued

Effect

Internal controls for safeguarding the property of the Constable are weakened by not maintaining adequate proper records.

Cause

The Constable did not adhere to its fixed asset management policies and procedures.

Recommendation

We recommend that the Constable update the property log of all information not currently included and take immediate steps to ensure that property purchased or acquired in the future are included in the Constable's property records containing all required related information.

Management's Response

The Constable has updated its property log to include all information required by its written assets management policies and procedures. The Constable has implemented steps to ensure that all required information for future asset additions is properly recorded.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**II FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

08-02 Budget Amendment

Criteria

Louisiana Revised Statute, Section 39:12310 requires a political subdivision to amend its budget when total actual expenditures exceed total budgeted expenditures by 5% or more.

Condition

Actual expenditures exceeded total budgeted expenditures by 5%.

Effect

The Constable is in noncompliance with the State budget law.

Cause

The Constable did not amend its 2008 budget when capital outlays were purchased during the fiscal year. The original budget did not include any amounts budgeted for capital outlay expenditures.

Recommendation

We recommend that the Constable monitor its budget on a regular basis to ensure that actual revenues, expenditures and beginning fund balance budget variances are always within legal limits for budgeting controls.

Management's Response

The Constable has reviewed its current budget to ensure that all expenditures incurred do not exceed actual budget line items. The Constable will continue to monitor its budget in order to maintain the variances within the legal limits.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

**I INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

07-01 Reconciliation of Agency Fund Cash

We recommended that **the Constable** take the necessary steps to ensure that the agency fund cash account is reconciled on a timely basis and that the amount of cash held for escrow transactions at all times equals or reconciles to the escrow deposit liability account.

Current Status

Resolved.

07-02 Subsidiary Records

We recommended that **the Constable** monthly reconcile the general ledger balance to the deposit escrow liability subsidiary records to ensure the accuracy of and provide supporting documentation for the amount reported in the financial statements.

Current Status

Resolved.

**CONSTABLE OF THE FIRST CITY COURT
CITY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**II FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS**

Not applicable.

III MANAGEMENT LETTER

No management letter comments reported.